



NAVAL POSTGRADUATE SCHOOL

MONTEREY, CALIFORNIA

THESIS

RUSSIA: BACKGROUND AND STRATEGY

by

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March 2016

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REPORT DOCUMENTATION PAGE			<i>Form Approved OMB No. 0704-0188</i>	
Public reporting burden for this collection of information is estimated to average 1 hour per response, including the time for reviewing instruction, searching existing data sources, gathering and maintaining the data needed, and completing and reviewing the collection of information. Send comments regarding this burden estimate or any other aspect of this collection of information, including suggestions for reducing this burden, to Washington headquarters Services, Directorate for Information Operations and Reports, 1215 Jefferson Davis Highway, Suite 1204, Arlington, VA 22202-4302, and to the Office of Management and Budget, Paperwork Reduction Project (0704-0188) Washington, DC 20503.				
1. AGENCY USE ONLY (Leave blank)	2. REPORT DATE March 2016	3. REPORT TYPE AND DATES COVERED Master's thesis		
4. TITLE AND SUBTITLE RUSSIA: BACKGROUND AND STRATEGY			5. FUNDING NUMBERS	
6. AUTHOR(S) Kenneth A. Barkovich				
7. PERFORMING ORGANIZATION NAME(S) AND ADDRESS(ES) Naval Postgraduate School Monterey, CA 93943-5000			8. PERFORMING ORGANIZATION REPORT NUMBER	
9. SPONSORING /MONITORING AGENCY NAME(S) AND ADDRESS(ES) N/A			10. SPONSORING / MONITORING AGENCY REPORT NUMBER	
11. SUPPLEMENTARY NOTES The views expressed in this thesis are those of the author and do not reflect the official policy or position of the Department of Defense or the U.S. Government. IRB Protocol number ____N/A____.				
12a. DISTRIBUTION / AVAILABILITY STATEMENT Approved for public release; distribution is unlimited			12b. DISTRIBUTION CODE	
13. ABSTRACT (maximum 200 words) The purpose of this thesis was to gain a better understanding of the present situation in Russia and examine possible influences on potential strategies moving forward. The relationship the United States has with Russia is only deteriorating, and Russia seems to be growing bolder by the day. While Russia may prove to be a formidable opponent in many ways, it is not without weakness. The country is experiencing very serious economic troubles, and sanctions will only inflict greater pain. This pain will be felt by individuals throughout the country as well as the government. Russia's ambitions may be halted by these economic struggles, both internally and externally. The Russian military is doing a good job focusing on areas where it can gain the most advantage given its assets, but money and personnel are just a couple of big issues that will plague the reform that is taking place. It is clear that old ways of thinking are no longer working, and in an ever-connected world, compromise and cooperation must be sought to improve relations with Russia. However, the United States and its European allies must stay united and be prepared to deal with Russia both politically and militarily if necessary.				
14. SUBJECT TERMS Russia, economy, sanctions, military reform, strategy			15. NUMBER OF PAGES 59	
			16. PRICE CODE	
17. SECURITY CLASSIFICATION OF REPORT Unclassified	18. SECURITY CLASSIFICATION OF THIS PAGE Unclassified	19. SECURITY CLASSIFICATION OF ABSTRACT Unclassified	20. LIMITATION OF ABSTRACT UU	

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RUSSIA: BACKGROUND AND STRATEGY

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Submitted in partial fulfillment of the
requirements for the degree of

**MASTER OF ARTS IN SECURITY STUDIES
(STRATEGIC STUDIES)**

from the

**NAVAL POSTGRADUATE SCHOOL
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ABSTRACT

The purpose of this thesis was to gain a better understanding of the present situation in Russia and examine possible influences on potential strategies moving forward. The relationship the United States has with Russia is only deteriorating, and Russia seems to be growing bolder by the day. While Russia may prove to be a formidable opponent in many ways, it is not without weakness. The country is experiencing very serious economic troubles, and sanctions will only inflict greater pain. This pain will be felt by individuals throughout the country as well as the government. Russia's ambitions may be halted by these economic struggles, both internally and externally. The Russian military is doing a good job focusing on areas where it can gain the most advantage given its assets, but money and personnel are just a couple of big issues that will plague the reform that is taking place. It is clear that old ways of thinking are no longer working, and in an ever-connected world, compromise and cooperation must be sought to improve relations with Russia. However, the United States and its European allies must stay united and be prepared to deal with Russia both politically and militarily if necessary.

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TABLE OF CONTENTS

I.	INTRODUCTION.....	1
A.	SIGNIFICANCE OF THE RESEARCH QUESTION.....	1
B.	LITERATURE REVIEW	2
C.	POTENTIAL EXPLANATIONS AND HYPOTHESES	6
D.	RESEARCH DESIGN	7
E.	THESIS OVERVIEW	8
II.	ECONOMY AND SANCTIONS	9
A.	CURRENT SITUATION	9
B.	ECONOMIC INFRASTRUCTURE	10
C.	SANCTIONS	14
III.	RUSSIAN MILITARY REFORM	19
A.	DEFENSE SPENDING	20
B.	STRATEGIC REFORM	20
C.	DEMOGRAPHICS.....	24
D.	ESSENTIAL REFORMS	24
IV.	STRATEGIC CONCERNS.....	29
A.	MOVING ON FROM THE COLD WAR	29
B.	RELATIONSHIP ISSUES	31
C.	MISMATCHED POLICIES AND IDEALS	34
D.	MILITARY READINESS.....	37
V.	CONCLUSION	41
	LIST OF REFERENCES.....	43
	INITIAL DISTRIBUTION LIST	45

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LIST OF ACRONYMS AND ABBREVIATIONS

C4IRS	Command, Control, Communications, Computers, Intelligence, Surveillance and Reconnaissance
EU	European Union
GDP	Gross Domestic Product
GRU	Glavnoye Razvedyvatel'noye Upravleniye
IMF	International Monetary Fund
ISIS	Islamic State of Iraq and Syria or Islamic State of Iraq and al-Sham
NATO	North Atlantic Treaty Organization
NCO	Non-commissioned Officer
OSCE	Organization for Security and Co-operation in Europe
WTO	World Trade Organization

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ACKNOWLEDGMENTS

I offer my thanks to Professors Looney and McNab for their excellent advice and support. I also thank my wife for her continued love and support in a very difficult time, and I look forward to a new beginning with Layna and Kellan.

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I. INTRODUCTION

What strategy does the United States have for dealing with Russia? Can the sanctions be effective? What state is Russia's economy actually in, and will this help with devising and employing sanctions? Beyond sanctions though, what options does the United States have regarding Russia? The United States tries its "resets," but these never seem to go anywhere. Why does it seem like the same strategies and tactics are tried over and over again, and nothing ever really changes? Perhaps it is because leaders keep approaching events in the same way. Changes are happening in Russia just as they are in the United States, and these changes need to be taken into account. The military, the people, and the country itself are changing in various ways that should be taken into consideration when devising a strategy. Any strategy should not just be short-term, either, but focused on improving the relationship with Russia to keep from falling back into old patterns of Cold War-like tensions. While sanctions may be a good start, alternatives must be considered to keep Russia in check and improve the relationship, hopefully for generations to come.

A. SIGNIFICANCE OF THE RESEARCH QUESTION

Russia presents a unique problem for the United States. Nobody wants to see American troops engage in another conflict, whether it is a proxy one or not. At the same time, Russia's actions need to have consequences. Russia's involvement in Ukraine cannot just be brushed aside. If there are no serious repercussions, what is to stop Russia from laying claim to more land, or even invading a country like Lithuania or Estonia? At that point, military conflict might be inevitable. A strong message must be sent to deter any future acts against sovereign nations. What makes the situation even more difficult is the unpredictability of someone like Vladimir Putin. Stopping him from achieving his ultimate goals, whatever they may be, may go well beyond just harsh rhetoric and sanctions.

Sanctions are a great place to start, but what other plans are being proposed? While very different conflicts, the lack of understanding and long-term planning

regarding Iraq and Afghanistan should at least provide the incentive to be as proactive as possible. Trying to understand Putin's goals will not make this easy, but every effort has to be made to deter him from future violations of this magnitude. Vladimir Putin will likely always try to cause problems for others, mainly the United States and Europe, but effective strategy can limit it to what many would consider just normal Russian behavior. Another important aspect is the cooperation the United States and Europe must show when employing any strategy toward Russia. While this may be easier said than done, a united front will go a longer way toward achieving objectives than the United States going at it alone. The status quo can no longer be accepted, and present ways of operating have only seen the situation worsen over recent years. The relationship with Russia does not have to be perfect, but any improvement can help lessen tensions around the world for years to come. This goes beyond just the relationship between the United States and Russia, but how Russia gets involved on the world stage because it clearly has these ambitions.

B. LITERATURE REVIEW

Plenty of literature exists about Russia and Vladimir Putin, but with the conflict in Ukraine being a relatively new one, literature can be light in some areas. Assessing the effectiveness of sanctions will not be easy, but it has to be looked at as a viable course of action. Determining the appropriate course for sanctions and potential for success is crucial. Trying to understand Russia's motives may not be easy, but blindly planning strategy without at least trying is not an option. Multiple strategies exist when it comes to dealing with Russia, and they all must be examined to find the appropriate comprehensive strategy going forward.

Gaining a true understanding of Vladimir Putin is clearly a difficult task. Maybe he is just reacting to NATO and the European Union, or maybe he truly wants things to return to how they were during the Soviet Union. It may be hard to believe, but Vladimir Putin might still be operating under the assumption that Western capitalism will fail.¹

¹ "How Dangerous Is Vladimir Putin?," *International Economy* 29, no. 1 (Winter 2015), <http://search.proquest.com/docview/1662359197?accountid=12702>.

Any questions about Putin's return to the presidency have only been met with tighter policies, taking Russia further down the road to a police state.² Instead of the middle class becoming the backbone of society, their protests led the leadership to turn to the poor. Any modernization was now taking a back seat to the groups dependent on the government.³

Vladimir Putin's style has been on display since actions like the Second Chechen War have demonstrated his willingness to block development and progress.⁴ Those that are in the ruling class are closely tied to the secret police, further exemplifying the country's return to an authoritarian regime. Lev Gudkov states, "It is the coercive structures (rather than representative, legal, market, or cultural institutions) that serve as systematically important and symbolic structures of 'Putinism.'"⁵

The Europeans hoped their system would appeal to others in the post-Cold War era.⁶ Europeans saw a new peace emerging with the fall of the Berlin Wall, and hoped this would encourage a new system of free moving people and ideas. Economics and universal legal institutions that could bind nations together were more important now than lines on maps and military force. Unfortunately, this wishful thinking all changed with Russia invading Crimea. Other countries refused to join in the sanctions, and China did not view this as challenging international order. Europeans had to realize that not everyone wanted the same thing.⁷

Russia's economy looked like it was in a pretty good spot in the early 2000s, but its flaws are becoming more apparent.⁸ The Russian economy was booming in the early

² Mikhail Dmitriev et al., *Putin's Russia: How It Rose, How It Is Maintained, And How It Might End*, ed. Leon Aron (Washington, DC: American Enterprise Institute), 52.

³ Ibid.

⁴ Ibid., 53.

⁵ Ibid.

⁶ Ivan Krastev and Mark Leonard, "Europe's Shattered Dream of Order: How Putin Is Disrupting the Atlantic Alliance," *Foreign Affairs* 94, no. 3 (May 2015), <http://search.proquest.com/docview/1674234923?accountid=12702>.

⁷ Krastev and Leonard, "Europe's Shattered Dream of Order."

⁸ Sergey Drobyshevsky, *Russia: Prospects for Growth and Convergence* (Washington, DC: Brookings Institute, 2014), 149.

2000s, as its GDP per capita more than doubled. The economic crisis of 2008 hit Russia hard, just like many countries around the world. Leadership did a pretty good job of handling the crisis, which included keeping a nearly balanced budget. The price of oil remained high though, unlike today. Now the outlooks are not so positive.⁹

There are multiple reasons why growth like that in the early 2000s cannot continue.¹⁰ Part of the growth was due to a recovery that will not be repeated. Production has nowhere to go given unemployment is lower now than before the crisis, and labor productivity is constant. Demographic trends are showing a shrinking workforce, which is extremely bad for economic growth. Also, Russia is unlikely to shift to an economy that produces technology-intensive goods, leaving it in a middle income trap.¹¹

Many thought after the collapse of the Soviet Union that Russia would become very successful economically.¹² It did have a lot of resources, including human, natural, and industrial, to carry over from the Soviet Union. Privatization and liberalization did not help. Reforms came but Russia did not modernize. It has traditional problems like corruption and weak institutions, but these are more symptoms than actual problems. Often Russia is compared to other economies, but it is vastly different. Legacy is a huge problem that has never been dealt with. Gaddy and Ickes state, “Politics – the priorities of the leaders and their emphasis on ideology and security – is a vital part of the Soviet legacy.”¹³

Some of the factors that have to be considered when employing sanctions are the economic ties involved. While Russia has a large economy and is a major player in oil and natural gas, it has little impact on the United States; in 2013 less than 3 percent of foreign direct investment was from the United States, and imports and exports between

⁹ Ibid.

¹⁰ Ibid., 150.

¹¹ Ibid.

¹² Clifford G. Gaddy and Barry W. Ickes, *Prosperity in Depth: Russia: Caught in the Bear Trap*, ed. Peter Passell (London: Legatum Institute, 2013), 3. <http://www.li.com/docs/default-source/country-growth-reports/pid-2013-russia-caught-in-the-bear-trap.pdf>.

¹³ Gaddy and Ickes, *Prosperity in Depth: Russia: Caught in the Bear Trap*, 3–4.

the two countries are relatively small as well.¹⁴ On the other hand, economic ties with the European Union are much deeper; Russia exported 50 percent of its goods there in 2013, and 75 percent of foreign bank loans came from Europe.¹⁵ This shows the importance of working with the EU on sanctions, but the need for oil and natural gas from Russia also presents challenges.¹⁶

The Ukraine Freedom Support Act was passed in December of 2014, giving the president more sanctioning ability over individuals and entities.¹⁷ Current sanctions include asset freezes for individuals and entities, restrictions on financial transactions, and restrictions on oil related and dual-use exports. Multiple other countries have joined in the sanctions, and Russia has also been suspended from the G-8. Russia has taken some retaliatory action, but nothing that is overly concerning at the moment.¹⁸

Containment was once a policy of the United States, and according to Vladimir Putin, it still is. “‘The policy of containment was not invented yesterday,’ Putin declared in December. ‘It has been carried out against our country for many years, always, for decades, if not centuries....Whenever someone thinks that Russia has become too strong or independent, these tools are quickly put into use.’”¹⁹ While the United States can ignore a lot of the rhetoric that comes from Moscow, it might be of interest to openly denounce some comments. Russians overwhelmingly have a negative view of the United States, and anything that can be done to lessen anti-American sentiment only helps when dealing with Putin.²⁰

¹⁴ Rebecca M. Nelson, *U.S. Sanctions on Russia: Economic Implications* (CRS Report No. R43895) (Washington, DC: Congressional Research Service, 2015), 1–2.

¹⁵ *Ibid.*, 3.

¹⁶ *Ibid.*

¹⁷ *Ibid.*, 5.

¹⁸ *Ibid.*, 5–7.

¹⁹ Joseph Renouard, “Containment, Again: A Long-Term Perspective on Recent Russian Claims,” *American Diplomacy* (April 15, 2015), <http://search.proquest.com/docview/1674724130?accountid=12702>.

²⁰ *Ibid.*

Admiral Stavridis stated, “The biggest disappointment of my four years at NATO was our failure to build a good working relationship with Russia.”²¹ The former head of European Command listed events that hurt the relationship between Russia and the United States to include Libya, Syria, and missile defense among others. His hope is to develop a strategic partnership by cooperating where both countries have a shared interest like counterpiracy operations and Afghanistan.²²

Another aspect that is considered by Michael Roskin is to pick the more serious threat between China and Russia and deal with it accordingly.²³ By being more flexible with one of them, the United States can hopefully avoid pushing the two countries together. Economics and patience are what is needed, so the United States should proceed with caution.²⁴

Strategy and statecraft can also be looked at when discussing the Crimean crisis and as a lesson for the future.²⁵ In the immediate sense, strategy will win out if we assume force is used or at least the threat is there. There was no threat of force from the West, just the use of statecraft. Russia’s threat paid off and it can use this lesson when making policy in the future.²⁶

C. POTENTIAL EXPLANATIONS AND HYPOTHESES

Russia has an economy that is still stuck in the Soviet days, and much of its policy going forward may also have similar attributes. Vladimir Putin still sees the world much differently than his counterparts in the United States and Europe. While he may be willing to take risks in certain areas, a strong and comprehensive strategy must be employed to deal with Russia to include counteracting any future aggression. A strong partnership

²¹ James G. Stavridis, “Russia: Why Can’t We Just Get Along?,” *Proceedings* 140, no. 10 (October 2014), <http://search.proquest.com/docview/1625916607?accountid=12702>.

²² Ibid.

²³ Michael G. Roskin, “The New Cold War,” *Parameters* 44, no. 1 (Spring 2014), <http://search.proquest.com/docview/1532990139?accountid=12702>.

²⁴ Ibid.

²⁵ Lukas Milevski, “Strategy Versus Statecraft in Crimea,” *Parameters* 44, no. 2 (Summer 2014), <http://search.proquest.com/docview/1565829795?accountid=12702>.

²⁶ Milevski, “Strategy Versus Statecraft in Crimea.”

with Europe is a necessity, and anything the United States can do to lessen its dependence on Russia will go a long way. Exploiting the weaknesses in Russia's economy is a possibility, but the people have to be taken into consideration. While many are already facing tough times, sanctions have to be employed as strategically as possible to hurt those at the top surrounding Putin. Other sanctions can be added as events dictate. Keeping China and Russia separate goes without saying. The United States and its European allies have to plan for using force as necessary. For example, if NATO does not stand ready to act against threats of violence from Russia, then what is to stop Putin from invading somewhere else? Russia is clearly not sitting idly by and letting the military rot away. While there are problems Russia will face in this area, it is doing what it can to make the defense forces a formidable foe for any type of challenge. Since nobody wants to be part of another Cold War, it is time for old ways of thinking to change and new ways of cooperation to be sought out. It will not be easy or change overnight, but progress is necessary for a more secure and prosperous world. Russia's economy, its military, and multiple strategic considerations need to be looked at to improve what has just been a deteriorating situation.

D. RESEARCH DESIGN

I looked at the current state of the Russian economy as well as prospective outlooks to see where the economy may be heading. I also looked at the inherent problems in the economic system and the effect they may have given the current situation. I examined current sanctions and their effects as well as future possibilities in this area. Military reform in Russia is also an area of concern that I examined given Russia's current and recent engagements. I wanted to know what changes Russia is making to expand the sphere of influence, and what possible shortcomings might there be. From there I looked at possible strategic concerns for dealing with Russia not only in the short term but long term as well. Comparing and contrasting the merits of possible strategies helped determine a course of action. Finally, cooperation with other countries, especially within Europe, had to be examined to provide a united front for dealing with Russia.

E. THESIS OVERVIEW

Chapter II discusses Russia's economy, current sanctions, and prospects going forward. It also discusses inherent flaws in the economy. Chapter III looks at military reform, the direction of the armed forces, and potential problems that Russia will face in this area. The fourth chapter discusses different strategic considerations to help form a comprehensive strategy and help possibly explain shortcomings to this point. Lastly, the conclusion lays out important considerations and steps that need taken by the United States to formulate any plan going forward regarding Russia.

II. ECONOMY AND SANCTIONS

Russia's past, present, and future are leading the country down a road from which it may be impossible to recover. The current situation does not paint the brightest picture of economic success despite a great start to the 2000s. Flaws that are left over from the Soviet days are becoming more exposed with time, but there is no willingness or proposed solutions to fix the problems. Current actions by Russia are only making the situation worse. Russia's involvement in Ukraine is resulting in sanctions from the United States and the European Union. It is hard to say how much of an effect these sanctions have had so far, and there could be more sanctions as this situation continues. While a timetable may be difficult to set, it is clear changes need to be made before it is too late. Russia's dependence on oil and gas, flaws inherited from the Soviet Union, and current actions in Ukraine are putting the economy under terrible stress and providing a very negative outlook for the future.

A. CURRENT SITUATION

The economic boom that Russia experienced in the early 2000s due to global investments and increasing oil prices came to a crashing halt with the 2008 financial crisis.²⁷ Despite a 7.8 percent reduction in GDP, Russia was able to balance the budget and not increase public debt.²⁸ While only minor setbacks occurred in the commercial sector, income inequality remained high and economic growth all but disappeared.²⁹

It is easy to point to oil to explain Russia's problems. Russia gets 50 percent of its revenues from oil and gas.³⁰ While at one point the oil and gas sector may have accounted for approximately 25 percent of GDP, it is now around 21 percent, and estimates show a drop to nearly 18 percent by 2020.³¹ The metal industry also plays a

²⁷ Drobyshevsky, *Russia: Prospects for Growth and Convergence*, 149.

²⁸ Ibid.

²⁹ Ibid.

³⁰ Ibid.

³¹ Drobyshevsky, *Russia: Prospects for Growth and Convergence*, 149.

very important role in the Russian economy, accounting for about 20 percent of the exports.³² Agriculture could play a bigger role, but large quantities of land go unused due to natural resource extraction. Russia will have trouble advancing and will experience low rates of growth if it continues to be a resource-based economy.³³

There are a few problems that are going to hold Russia back from seeing high growth like in the early 2000s.³⁴ Domestically there is optimism that 5 percent growth can be achieved, but this is highly improbable.³⁵ With the economic crisis of the 1990s, Russia was in a great spot for growth. There is presently no room for growth in an economy with constant labor productivity and extremely low unemployment. Russia's labor force is also expected to shrink dramatically in the coming years. Finally, the middle-income trap has hit Russia, and it is doubtful Russia will switch to technological goods that drive growth in high-income countries. These factors combined with the still-unknown long-term impact of sanctions are leaving Russia in a tough spot.³⁶

Consumer demand is another area that is unlikely to stimulate the economy anytime soon.³⁷ The Russian people are highly indebted and loans are not exactly consumer friendly. The unlikelihood of economic growth and issues with the labor force are also going to hold back consumer spending. The Russian people seem to be saving instead of spending, and the wealthy are even investing outside of Russia despite lower returns. It will be tough to increase consumer spending with all the negativity currently surrounding Russia and its economy.³⁸

B. ECONOMIC INFRASTRUCTURE

Reform in Russia may be more complicated than just revamping sectors of the economy or finding more workers. Russia has a history vastly different than other

³² Ibid.

³³ Ibid., 149–150.

³⁴ Ibid., 150.

³⁵ Ibid.

³⁶ Ibid., 150–151.

³⁷ Ibid., 151.

³⁸ Ibid., 151–152.

countries trying to make economic strides. It is much different from other emerging economies given its legacy of the Soviet Union. It was easy to assume good prospects for success following the collapse of the Soviet Union given the resources and industrial and human capital that Russia possessed.³⁹ The economy continued to thrive when countless efforts at reform were finally abandoned.⁴⁰ Gaddy and Ickes suggest that these reforms failed because the Russian leadership has been constantly treating the symptoms and not actually fixing the real problems.⁴¹

It is critical to understand the importance of the Soviet legacy when discussing modern-day problems in Russia.⁴² The Soviet Union developed industry so that it depended on the outside as little as possible. For whatever the reasons the Soviets had in their planning, factories and infrastructure were built in remote and harsh locations. It is pretty much the opposite of how most of Canada's population and infrastructure lies along the border with the United States, where the climate is better and transportation is easier. While many people like to focus on government corruption and other problems, the Soviet legacy simply cannot be ignored.⁴³

Resource rents, or using money from the profitable sectors of the economy to pay for the ones that are not, are the other big issue passed down from the Soviet days.⁴⁴ In the case of goods produced, items were worth less than the sum of the parts. Since there is an abundance of natural resources, this terrible system can essentially be subsidized. Since everything other than the oil, gas, and mining sectors actually destroy value, revenues are needed to support their continued operation. The 1970s helped create the rent system with the oil boom, and a subsequent oil and gas boom in the late 1990s helped to save the system. The decline of oil and gas in the 1980s led to a collapse of

³⁹ Gaddy and Ickes, *Prosperity in Depth: Russia: Caught in the Bear Trap*, 3.

⁴⁰ Ibid.

⁴¹ Ibid.

⁴² Ibid., 4.

⁴³ Ibid., 5.

⁴⁴ Ibid., 6.

Communism and the Soviet Union, but the rent system still survived. It seems as if this terrible system should have collapsed with it, but this was not the case.⁴⁵

This then leads to an explanation of why the Soviet legacy prevented the system from collapsing along with Communism.⁴⁶ It also helps explain why so many reforms, including privatization and liberalization, have not addressed the real problem; Soviet accomplishment was more important than efficiency. Power and prestige were gained from consuming more materials and transportation services. Agriculture and defense were two of the industries that used the most products and were—without a doubt—two of the most wasteful. The system was all about value destruction, so more and more rents were needed to keep it going. It looked like the Soviets had a good thing, with supporting jobs and a fearsome military, but it was all extremely inefficient and wasteful.⁴⁷

It seems that change should have happened with the collapse of the Soviet Union and Soviet Communism.⁴⁸ With many reforms attempted, including privatization and macroeconomic stabilization, rent management was not something that was given much attention. Supply and demand were not taken into account, but prices were just set where they needed to be to give the appearance that everything was okay. There was a mistake, however, in thinking that industries were inefficient when they were really unviable. Reformers figured that with efforts like privatization, businesses would make reforms to become more competitive. When the government started to take away subsidies, inefficient businesses did not just go away. Businesses traded goods instead of money to keep things going. The economy was actually a sham with only businesses like Gazprom producing any real value. Rents were still being used, and other monopolies like the railroad industry were used to distribute them. One would think that the profitable companies would stop doing this, but they did not because of the way the system was set up. Russia's attempt at privatization left many calling for state control because most citizens were not fortunate enough to get a stake in a profitable company like Gazprom.

⁴⁵ Gaddy and Ickes, *Prosperity in Depth: Russia: Caught in the Bear Trap*, 6–7.

⁴⁶ Ibid., 7.

⁴⁷ Ibid., 8–9.

⁴⁸ Ibid., 9.

By sharing the wealth to keep other industries going, those that had a stake in something were able to keep it.⁴⁹

As there was no central planning from the Communist days, the system found a way to keep going; with an increase in rents in the 2000s, this system was once again able to be sustained.⁵⁰ “The highest priority for the Putin regime with respect to private owners is to ensure that they continue to support the rent distribution system that serves the interests of the regime. For the rent-producing companies—whether state-owned or private—the most important requirement is that they directly support the production and supply chains linking the enterprises inherited from the Soviet economy.”⁵¹ So despite the government eliminating subsidies, the rent management system is forced to continue. Those in charge of the profitable companies will keep working hard to generate more profits to give to the needy, mainly manufacturing businesses, in order to keep their companies.⁵² The system seems to work as long as rents are good, but what happens when they are not?

Russia’s economic performance since the 2000s and the GDP per capita of over \$23,000 make it seem like things are going pretty well.⁵³ Some measurements of the Legatum Prosperity Index, like 115th in governance and 114th in personal freedom, give better insight into the actual situation in Russia.⁵⁴ It is possible economic growth could continue in the near future, but necessary changes are unlikely to be made. The oil and gas sector is needed for Russia to go, and it is unlikely these industries will be allowed to prosper on their own without providing rents. With infrastructure and equipment aging, as well as having a shrinking workforce, it seems obvious changes are necessary.⁵⁵

⁴⁹ Gaddy and Ickes, *Prosperity in Depth: Russia: Caught in the Bear Trap*, 9–11.

⁵⁰ Ibid., 12.

⁵¹ Ibid., 13.

⁵² Ibid.

⁵³ Ibid., 14.

⁵⁴ Gaddy and Ickes, *Prosperity in Depth: Russia: Caught in the Bear Trap*, 14.

⁵⁵ Ibid., 14–15.

Since so much is tied into this rent distribution system, the consequences of dealing with it are enormous.⁵⁶ Political consequences would be too big to bear, as would trying to move the population to more economically effective places. Businesses, as well as large numbers of the population dependent upon these businesses, would be crushed if the rent management system were tampered with. Foreign direct investment is possible to help out, but how much will they want to get involved in a system they cannot change. “Russia is in a trap. To be modern, it needs democracy. But a democratic Russia cannot become modern because the majority of Russians have a vested interest in an economic structure that prevents modernization. Today’s Russia is not Singapore or South Korea. It will not work to use anti-democratic methods to force modernization.”⁵⁷

C. SANCTIONS

Given everything going on with Russia and its actions with Ukraine, sanctions are another issue Russia has to deal with in already trying economic times. It remains to be seen if these sanctions can have the intended effects. It may also be tough to keep European allies on the same page when it comes to sanctions. Vladimir Putin may not give in regardless of what sanctions are put in place. Despite damage to Russia’s economy, his goals and how far he is willing to go to get them may trump any sanctions. The United States has had sanctions in effect for years with countries ranging from North Korea to Cuba to Iran. It can be argued that sanctions often miss their mark. Lawmakers are finally caving in on Cuba given a lack of change over a period of decades, and despite horrible conditions in North Korea, sanctions have not stopped how that regime operates. Maybe Russia will be different, but it is hard to know with a leader as unpredictable as Putin.

It is very important to have the European Union on board with sanctions when it comes to Russia.⁵⁸ The United States and Russia are relatively small trade and investment partners, but this is not the same case for Russia and the European Union.

⁵⁶ Ibid., 16.

⁵⁷ Ibid.

⁵⁸ Nelson, *U.S. Sanctions on Russia*, 3.

Russia gets about 75 percent of its foreign bank loans from the EU, and the importing and exporting between the two is around 50 percent.⁵⁹ The amount of energy European countries get from Russia also makes sanctions difficult. There are major U.S. companies like ExxonMobil and PepsiCo that have large investments in Russia despite overall activity being low. The United States also gets specific imports from Russia like rocket engines and certain metals. Just like other countries, Russia relies on the U.S. dollar, especially when it comes to oil transactions.⁶⁰

Sanctions began on specific firms, individuals, and sectors of the economy in March 2014.⁶¹ The president is authorized to impose sanctions after Congress passed the Ukraine Freedom Support Act of 2014. Some of the current sanctions imposed on Russia include asset freezes for individuals and entities, restrictions on financial transactions with specific Russian firms, and restrictions on oil-related exports. Russia is also no longer a member of the G-8, and several countries are joining the U.S. to stop new projects in Russia. Russia has taken some actions as well; it has banned agricultural imports from the U.S. and some EU countries, and it has argued that actions by the West violate the mission of the World Trade Organization (WTO). Russia's retaliatory actions seem quite small compared to what the U.S. can do sanction-wise, as long as it can keep the EU countries involved.⁶²

Russia is currently facing some serious economic challenges.⁶³ Capital flight, or money leaving the country, was over \$152 billion in 2014.⁶⁴ Russia has talked about capital controls, but nothing has been done yet. Russian companies are not receiving U.S. dollars, and many countries other than the U.S. are cutting off those not even sanctioned. A massive depreciation and sell-off of the ruble has left it at 63 rubles per dollar, and a

⁵⁹ Ibid.

⁶⁰ Ibid., 3–4.

⁶¹ Ibid., 5.

⁶² Nelson, *U.S. Sanctions on Russia*, 5–7.

⁶³ Ibid., 8.

⁶⁴ Ibid.

key interest rate was raised from 10.5 percent to 17 percent.⁶⁵ The depreciation of the ruble has helped lead to inflation around 9.1 percent as of November 2014.⁶⁶ Instead of continuing growth for the economy, predictions by the IMF have it contracting by 3.0 percent in 2015 and 1.0 percent in 2016.⁶⁷ Even with decent currency reserves it can use to help struggling firms, there is still the question of liquidity and how long they could actually last. These are serious issues with which Russia has to contend. If the sanctions continue or possibly get increased in the future, Russia could be headed for a disaster. It is hard to see how it can recover from this without external help.⁶⁸

On the other hand, the United States has been affected by these sanctions as well.⁶⁹ It may be too early to tell just how much, though. Companies in the oil and gas industry are being impacted. Gun dealers cannot import certain weapons, and even John Deere has two factories in Russia. Russia is also looking to replace Visa and MasterCard with its own system. Some places may be hurt more than others; Washington State pear and apple producers sold \$23 million worth of produce to Russia last year.⁷⁰ U.S. exports are actually up 1.3 percent despite imports being down 10 percent for the same period.⁷¹ Overall strengthening of the U.S. economy recently has also downplayed the effects of sanctions on the U.S. While some individuals and companies in the U.S. may be slightly more affected than others, it does not appear that these sanctions will have a big enough impact on the U.S. for a change of course to be made in this regard.⁷²

European Union sanctions are similar to those of the United States.⁷³ Visa bans and asset freezes began in March of 2014 on specific Russian individuals. A big change

⁶⁵ Ibid., 9.

⁶⁶ Ibid., 10.

⁶⁷ Ibid.

⁶⁸ Ibid., 8–10.

⁶⁹ Ibid., 11.

⁷⁰ Nelson, *U.S. Sanctions on Russia*, 12.

⁷¹ Ibid.

⁷² Ibid., 11–12.

⁷³ Steven Woehrel, *Ukraine: Current Issues and U.S. Policy* (CRS Report No. RL33460) (Washington, DC: Congressional Research Service, 2015), 11.

in attitude for the European Union came in July 2014, when Malaysian Airlines flight MH17 was shot down. EU nations stepped up their ban to include some of Putin's inner circle, matching what the United States had already done. Finance, defense, and energy sector sanctions were strengthened in September after being implemented at the end of July. These included stopping loans to certain individuals and banks, banning services needed in the energy sector, and banning the exporting of dual-use goods and technology, among others. More bans were implemented in December of that year—including cutting off tourism—and additional sanctions are being considered.⁷⁴

Despite the mountain of problems that seem to be piling up, Vladimir Putin's next step is anyone's guess. According to Daniel Cloud, "He can either make a deal now—one he won't like, since he holds few cards—or compromise later, once his negotiating position has deteriorated further. No matter what happens, he will end up badly wounded. The question is whether he will drag his country down with him, turning Russia into a full-fledged pariah state."⁷⁵ Given the unpredictability of Putin and his plans for the future of Russia, it is anyone's guess what path he will take. With oil prices likely to be low for at least a number of months, Russia's ability to cope is hindered that much more. On the flip side, it could present an opportunity for Russia. Dmitri Trenin stated, "The plunge in the oil price at last gives a powerful argument for those who genuinely want to reduce Russia's overdependence on hydrocarbons."⁷⁶ Russia could finally take some necessary steps toward reform that are long overdue. There should still be the basic assumption, however, that Russia will continue down the same path, despite the terrible situation, until it shows otherwise.⁷⁷ It may just be wishful thinking that Russia could finally take those steps.

The economic state of Russia is not pretty at the moment. Despite looking like a promising emerging economy only a few years ago, its flaws are just too many to ignore. Its current actions in the Ukraine are only helping to exaggerate problems that likely

⁷⁴ Ibid.

⁷⁵ Daniel Cloud, "Revenge of the Ruble," *Foreign Affairs*, December 18, 2014.

⁷⁶ Dmitri Trenin, "Despite Crisis, Reform Elusive for Russia," *Global Times*, December 31, 2014.

⁷⁷ Ibid.

cannot take the stress for long. While it may seem like reform is the only option, this still may not be the case in Russia. Its legacy from the Soviet days may be too much to overcome, and prove too difficult for anyone willing to try. As long as the people can somewhat survive the way things are and the way they are used to, upsetting the system may not be worth it. It is also too difficult to predict any decision that may be put forth by Vladimir Putin. His actions are not necessarily those of a reasonable person, at least through the outside world's perspective. It may take a collapse of the entire Russian economy before change actually happens. This may be brought on by some combination of low oil prices, military conflict, internal revolt, and increased sanctions, among others.

III. RUSSIAN MILITARY REFORM

Argument does not exist when debating whether reform was necessary for the Russian military, but whether or not the reforms that have taken place since 2008 are pointed in the right direction. Since reform was clearly needed, the mistake of jumping right to the conclusion that any reform is good is a mistake that should be avoided. The world has changed a lot since the collapse of the Soviet Union, and these changes have without a doubt had an effect on events in Russia. At the same time, Vladimir Putin has often stated how the collapse of the Soviet Union was a great catastrophe. So while Russia may be reforming to take on present challenges and adjust to the world as it is today, there will always be influence from the Soviet days, especially with a leader like Putin in charge. Judging reform is not always easy. Changes in the United States military are often highly debated, and these changes are not always met with all leaders and especially the public being on board. So in that sense, it may be difficult to say, at least in the short term, if reform is heading in the right direction. If a country like the United States seems to face problem after problem when attempting military reform, how can a country like Russia expect to make reasonable progress in a short amount of time? Once Russia makes these changes and decides on future reforms, staying the course and implementing them over the long haul may prove easier said than done. Perhaps that is why Russia is making certain reforms.

No country has the resources of the United States, so a country must allocate its resources efficiently. “It has become imminently clear, however, that the military organizational structure, operational doctrines and means of Soviet provenance, oriented toward a traditional large-scale war, were not only ill suited to the radically changed security environment; they were also unsustainable in terms of economic, material, and human resources.”⁷⁸ It is one thing to call for militaries with large ground forces that are always prepared for conflict, but making it happen is easier said than done. If this plan is

⁷⁸ Katarzyna Zysk, “Managing Military Change in Russia,” in *Security, Strategy and Military Change in the 21st Century: Cross-Regional Perspectives*, eds. Jo Inge Bekkevold, Ian Bowers, and Michael Raska (London: Routledge, 2015), 155.

not feasible, maybe Russia is just proceeding the best way it can. Even the U.S. military is trying to cut its troop levels. Giant armies sound nice, but countries have to be realistic. Also, overcoming the so-called institutional inertia is a huge burden in Russia. The United States fights this problem all the time when making change. In the case of Russia, it is still fighting against institutional inertia from an institution that does not even exist anymore in the case of the Soviet Union. Russia is making a strong case that the reforms it has been making are for the better, but only time will tell if the reforms will work in the long run and if leadership can stay the course. Russia may have its issues in certain areas to include the economy and demography, but it is making positive reforms given the resources and skills it does have to advance a strategy that can help make it militarily relevant again on the world stage.

A. DEFENSE SPENDING

The economic situation is vital to any country attempting reform. Certain problems can be masked when there is enough money to compensate. In the early 2000s, Russia saw plenty of money coming in from natural resources. However, after 2008, things started to change. Despite the challenges, Russia continued to raise defense spending to achieve modernization of its defense forces by 2020.⁷⁹ These efforts will only continue to increase in difficulty with sanctions in place and oil prices plummeting to lows that may last for quite a while. The effort is there economically, but how much pressure Russia is able to take on this front is difficult to say. The economic challenges can help explain the move to be better equipped for local conflicts while using nuclear weapons to deter large-scale attacks. Putting the money where it can do the most use is crucial, and in the case of Russia this is definitely an argument that can be made.

B. STRATEGIC REFORM

Understanding the strategy and politics behind Russian decisions can help make sense of the reforms. Reforms that do not match what leadership is trying to accomplish are often just wasted, even if the reforms themselves look good. Katarzyna Zysk states,

⁷⁹ Zysk, "Managing Military Change in Russia," 158.

“Rebuilding Russia’s influence and great power status is therefore closely connected to strengthening the armed forces. The dominance of hard power in the Russian view of the international system is a foundation upon which military change and modernization have been built.”⁸⁰ Strengthening the armed forces does not have to mean a gigantic army, but the capability to carry out the desired strategy. It is not just Vladimir Putin’s view but the common view throughout the country that Russia is a major power and it is once again trying to become just that after experiencing a time of weakness.⁸¹ Russia does not want to play second fiddle to anyone, so it is looking for a way to regain strength. The European Security Treaty was a prime example of Russia feeling marginalized in a post-Cold War world that saw the United States and NATO gaining strength in the world.⁸² Russia wants to be a global power, and it clearly will not stand by and let NATO and western powers interfere in what it sees as its sphere of influence. Multiple frozen conflicts and now events in Ukraine prove that Russia will not sit idly by, and in fact it will push back when it feels necessary or that strategic gains can be made. “The Russian leadership’s view of the world order reflects a traditional realist culture. It is a variation of a system based on the balance-of-power principle and non-confrontational mutual containment, which was established during the Congress of Vienna in 1815.”⁸³ Russia’s view of itself as a great power has not deviated over the centuries. During the Soviet Union and even now, Russia wants to not only be a regional hegemon but a player on the world stage. To contain NATO, the European Union, and western influence in general, Russia is doing what it can to spread its influence and disrupt its adversaries’ plans.

Russia has definitely changed its thinking, and these new strategies are becoming more evident. “The Russian strategic planners view conventional, large-scale state-on-state conflict as unlikely. The focus is now on asymmetric, non-contact conflicts, where air superiority, precision munitions, special operations forces (spetsnaz) and strategic

⁸⁰ Zysk, “Managing Military Change in Russia,” 159.

⁸¹ Mikhail Tsypkin, “Russian Politics, Policy-Making and American Missile Defense,” *International Affairs* 85, no. 4 (2009), 787.

⁸² Zysk, “Managing Military Change in Russia,” 159.

⁸³ *Ibid.*

mobility are key assets for victory.”⁸⁴ Recent conflicts like Ukraine have demonstrated this strategy and have met with success. Russia has not openly invaded, although to many it may feel like just that. Crimea was taken with relative ease, and another seemingly frozen conflict in Ukraine adds to the list. Asymmetric warfare makes it tough for other countries and NATO to react. The reaction would likely be different if a NATO country were the one being entrenched in the Russia web, but until that happens, a military response is a difficult road to take for the United States and its allies. While many like Senator McCain wanted to send the Ukrainians arms early on, it just did not happen. Even this proved to be a difficult response to a complicated situation. Russia has undoubtedly become more confident in what it can get away with, and will likely continue to push the boundaries. Russia is still a nuclear power that has serious military capabilities, so now that it views a large, conventional conflict as unlikely, it can focus on asymmetric warfare to accomplish its objectives.

If the Soviet Army existed solely for the possibility of large-scale conflict, then clearly there is no longer a need, especially given its lack of resources to compete in this area.⁸⁵ If Russia clearly believes that this type of conflict is highly unlikely, and the resources are just not there anyway, then this type of conflict could be deterred with nuclear weapons. Nuclear weapons can deter NATO while Russia’s involvement in local conflicts has grown, which leads to Russia putting its resources toward this type of conflict to increase readiness and professionalism.⁸⁶

Why waste the resources that are not available when the objective can be accomplished with what you already have plenty of? Russia was clear in denouncing planned ballistic missile defense systems in Poland and even mentioned the possibility of strikes against them; Russia saw this attempt as weakening its nuclear deterrent capability even if this was truly not the case as many have stated.⁸⁷ Russia is doing everything it can

⁸⁴ Zysk, “Managing Military Change in Russia,” 163.

⁸⁵ Mikhail Barabanov, Konstantin Makienko, and Ruslan Pukhov, *Military Reform: Toward the New Look of the Russian Army* (Moscow: Valdai Discussion Club, 2012), 6.

⁸⁶ Barabanov et al., *Military Reform*, 6–7.

⁸⁷ Tsyarkin, “Russian Politics, Policy-Making and American Missile Defense,” 781.

to remain in a position of strength with this strategy, and it seems to be accomplishing just that. It seems that not only do nuclear weapons have their military value, but this value extends deep into Russian culture. The Russian masses clearly gain a sense of strength and pride from nuclear displays of power; examples include Boris Yeltsin and Vladimir Putin participating in exercises, and even the Russian Orthodox Church gets involved by talking about and blessing the nuclear facilities.⁸⁸ This importance to the culture and general public as a whole cannot be understated, so combined with its deterrent capability Russia seemingly sits in a strong place regarding its nuclear capability. “The image of being America’s equal as a nuclear superpower is important, in the eyes of the Russian elite, for keeping geopolitical competitors at bay, especially since Russia cannot compete in conventional military power with the U.S. and its NATO allies, or with China.”⁸⁹ Due to its lack of resources and strong conviction to nuclear weapons, Russian emphasis on nuclear deterrence not only provides strength in one area, but frees up other areas where reform can and has been pursued.

“The increasing economic, social and information interdependence of the leading actors in world politics in the conditions of globalization will make damage in such a conflict incommensurate with any political or other gains they could hope for in using military force (especially nuclear weapons) against each other.”⁹⁰ The argument can be made that if nuclear weapons are being used, the world as we know it is over anyway. However, this does not take away from the argument that Russia is using its resources the best way it can to reform its military. It is true that countries are so connected to one another that the damage from a large-scale conflict would be devastating no matter the military outcome. This further supports Russia’s focus on local conflicts and asymmetric warfare. Getting involved in conflicts in third world countries, working to gain technological and military advantages, and involvement in the arms market are all ways to compete with other countries and assert political pressure.⁹¹ Russia is no stranger to

⁸⁸ Ibid., 784–85.

⁸⁹ Ibid., 792.

⁹⁰ Alexei Arbatov, “Real and Imaginary Threats,” *Russia in Global Affairs*, April 15, 2013.

⁹¹ Ibid.

any of these, and it gets involved in numerous situations like this to prove that it is relevant on the world stage and put pressure on others whenever the situation presents itself.

C. DEMOGRAPHICS

Just as financial issues were mentioned as having an important role in the military reform taking place in Russia, so are the demographics of the country. Russia is facing a crisis in this regard, and not only is the number of eligible conscripts declining sharply, but the health issues are making many unfit for military service.⁹² Russia is going to have less and less to work with, at least in the near future, so reform must be structured around this situation since there is little hope of putting a massive army together even if that were the objective. Another issue is that the most fit soldiers are the most likely to cause problems and have loyalty issues; this issue of troops from the North Caucasus extends beyond just implications for troop levels to Russia's future with this region.⁹³ There are no easy solutions for Russia to these problems, and just like the economic concerns, it is hard to see the demographic issue getting better anytime soon. The military understands that in order for the force to modernize, they have to increase the numbers of the enlisted force and have even created a professional NCO corps.⁹⁴ This is a good first step for a more professional military.

D. ESSENTIAL REFORMS

Changes to the command structure are another area of reform that Russia has pursued. The reform has consolidated Russia into four military districts that aligns with its four strategic areas; all of the services are represented in each sector under a Joint Strategic Command to coordinate strategic planning and warfighting.⁹⁵ Better organization and command will only help improve processes and coordination that was lacking prior. Russia has taken all its air elements and combined them to have air and

⁹² Barabanov et al., *Military Reform*, 12.

⁹³ Ibid., 13.

⁹⁴ Barabanov et al., *Military Reform*, 27–28.

⁹⁵ Ibid., 18–20.

ground elements together while eliminating the Soviet structure and at the same time simplifying the Navy.⁹⁶ Any attempts at simplification should be welcome to eliminate remnants of the Soviet system. Russia also has attempted to reform the military education system; sixty-five different institutions are being consolidated to better train officers and conduct research with future reorganization planned.⁹⁷ Any effort to better educate one's troops, especially the leadership, can only be viewed as a positive sign of reform. Network-centric warfare has become a focus since Russia views the modern western militaries of operating in this fashion.⁹⁸ This is another attempt at modernizing practices and at least understanding how countries like the United States are having the military operate. The Russians are now using a chain of command that looks more like that of a western military, and Command, Control, Communications, Computers, Intelligence, Surveillance and Reconnaissance (C4IRS) is becoming a focus as well.⁹⁹

The Russian military has clearly fallen behind the west when it comes to certain capabilities, and this includes things like advanced electronics and remote control weapons.¹⁰⁰ There are other ways to level the playing field though, and Russia does not seem to be without options. Radar jamming and electronic warfare are two such options, and Russia's electronic warfare system appears to be versatile and highly capability.¹⁰¹ Russia does not have to catch up to the west in every area overnight, but with advancements in certain areas like electronic warfare, it can be every bit as influential and disruptive on the battlefield. Another issue also gives Russia quite an advantage that western countries cannot match.

The lack of democratic accountability in the Russian political system makes the use of deception and ambiguous warfare easier than for governments that have to abide by democratic norms. When engaged in proxy conflicts with Western states, Russia can bring in mercenaries and

⁹⁶ Ibid., 22–23.

⁹⁷ Ibid., 24.

⁹⁸ Ibid., 7.

⁹⁹ Zysk, "Managing Military Change in Russia," 164.

¹⁰⁰ Dmitry Gorenburg, "This Is How the Russian Military Plans to Fight Future Wars," *National Interest*, August 2015.

¹⁰¹ Ibid.

other irregular forces, backed by GRU and other special forces units. It can also use friendly populations in neighboring states as cover for covert activities in target countries.¹⁰²

This advantage gives Russia a tremendous ability that cannot be overlooked. It also makes it that much more difficult for western countries to intervene when targeting the enemy is anything but clear.

The Russian Navy is also seeing its share of reform. By 2020, Russia is expected to spend \$132 billion on ships and submarines.¹⁰³ This seems very ambitious given the state of the economy, but it shows a commitment to not get left behind in the naval arena. Other improvements in naval planning include consolidating shipyards, planning for future ships like ice-capable warships, and getting increasingly involved in the Arctic.¹⁰⁴ These initiatives will definitely have western nations taking notice and working on how to counter these moves in the future. It is not just planning and spending either that should be concerning to the United States and NATO. Any void being created by these countries focusing their attention in Asia has opened the door for Russia, and it has sent ships out in ways that have not been seen since the Cold War.¹⁰⁵ It always seems to be a concern that the United States is being spread too thin, and this plays right into Russia's hand. This willingness and commitment to being actively engaged at sea is something the United States and NATO definitely do not want to see. Putin has made sure to expand the influence of a navy that has been decimated over the years and now has an opening with the Asia pivot happening.¹⁰⁶

While it may be early on in the reform process, things seem to be heading in the right direction for the Russian military. Russia is back influencing events on the world stage, and making the United States and its allies allocate time and resources that have most likely already been allocated to the Middle East or Asia. It is clear that at least at the

¹⁰² Ibid.

¹⁰³ Thomas R. Fedyszyn, "Russia's Navy Rising," *National Interest*, December 28, 2013.

¹⁰⁴ Fedyszyn, "Russia's Navy Rising."

¹⁰⁵ Thomas R. Fedyszyn, "The Russian Navy 'Rebalances' to the Mediterranean," *USNI Proceedings* 139, no. 12 (December 2013), <http://www.usni.org/print/28401>.

¹⁰⁶ Ibid.

present, Russia is having some success with its reforms. Crimea was a success and the multiple other frozen conflicts can only be seen as victories at the present for Russia. The United States and NATO do not want to get involved so far from home by putting boots on the ground. They may show some strength in exercises, but as long as NATO countries remain out of the fray, Russia probably has little to worry about from a military standpoint. It is a big question if Russia can withstand the sanctions given the current economic situation, but if it can hold out long enough, a sufficient number of the reforms may be in place to see a drastically stronger military. This may not be in the traditional sense of a large Soviet army, but the reforms are enabling Russia to carry out its strategy, become a relevant player again on the world stage, and increase its sphere of influence toward levels of its Soviet past.

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IV. STRATEGIC CONCERNS

When coming up with a clear and concise strategy to deal with Russia going forward, it is obvious that some ideas and notions have to be cleared up or dispelled all together. It seems that current modes of thinking have stagnated progress instead of bringing new solutions and options to the table. This is not to say that the challenge ahead is not formidable, but some methods are certainly not working. The Cold War is over, and while there are lessons to be learned, they cannot dominate strategy moving forward. The world has changed, and the ideas of a new Cold War are hampering progress. Our relationship with Russia is strained at best, but cooperation must be sought after. There are opportunities out there, some of which could benefit all parties involved. However, policies and ideals are vastly different in a number of areas and only increasing the tensions between the sides. Strategists must get a handle on these issues before repeating mistakes and making new ones.

A. MOVING ON FROM THE COLD WAR

Could this be another situation of containment involving Russia? Vladimir Putin thinks so. “‘The policy of containment was not invented yesterday,’ Putin declared in December. ‘It has been carried out against our country for many years, always, for decades, if not centuries....Whenever someone thinks that Russia has become too strong or independent, these tools are quickly put to use.’”¹⁰⁷ Maybe Putin is right, but maybe this is a logical option when dealing with Russia. Plus, what else can he say to draw attention away from deteriorating conditions at home regarding sanctions and oil prices? What also has to be considered though is the extremely negative view Russians have of the United States. While all the assertions and claims that Putin throws out might not be anywhere close to accurate, eighty percent of Russians view the United States negatively according to a Levada Center poll.¹⁰⁸ This is something that policymakers need to consider as part of ongoing strategy efforts. It does not mean that the feelings of Russians

¹⁰⁷ Renouard, “Containment, Again.”

¹⁰⁸ Renouard, “Containment, Again.”

should be the main focus of any course of action, but it should not be left out when proceeding.

The question then becomes why would ignoring containment and anti-Americanism be such a big deal? If the United States does not fight the perception of trying to undermine Russia, hatred continues to grow, and reform becomes more unlikely in Russia as Putin increases his grip on the country.¹⁰⁹ It also hurts any chance of working together to solve a wide variety of problems around the globe.¹¹⁰ Recent events with Iran, to include the Iranian general visiting Moscow while under sanctions, only highlight the tensions and defiance from Russia. While this may be expected of Iran, Russia is outright defying the international community. Russia is starting to assert a heavy military presence in Syria as well. Backing Bashar al-Assad, especially with a heavy military presence, is the last thing that American leadership wants to see. Russia and the United States cannot continue down this path. It is only leading to increased instability in an already unstable part of the world. Russia's actions should come as no surprise though. Many Russians view America as expanding its influence at the expense of Russia and even using Ukraine to do so, and this also brings up memories of U.S. attempts at spreading democracy and free market economics during the Cold War.¹¹¹ Russia's actions are a chance to undermine the United States on the world stage while once again serving the personal interests of Vladimir Putin. It definitely could not hurt the position of the United States to start some form of campaign that tries to explain its position to the Russian people as one of stabilization and prosperity for all countries, not one that aims to keep countries like Russia repressed.

Will the West, and in particular the United States, continue to view Russia through the Cold War lens of the 20th century? Moving beyond this skewed view is key to successful strategy and not falling into outdated practices. This thought process has repeated itself through the years when events like the Russo-Georgian war and the 2006

¹⁰⁹ Ibid.

¹¹⁰ Ibid.

¹¹¹ Ibid.

energy crisis involving Ukraine and Russia happened.¹¹² In 2007, Westerners once again turned to this line of thinking when Russia returned to strategic bomber flights and Putin gave a speech at the Munich Security Conference.¹¹³ Rhetoric and random, nonviolent military acts should not be enough to return to the old ways of thinking. If anything, doing so seems a convenient way to describe current events instead of coming up with new reasons and strategies that fit today's issues that are absolutely necessary moving forward. "This polemic—often depicted as being between 'Cold War warriors' and 'Putin apologists'—has become increasingly acrimonious...Western politicians and commentators cannot help but be surprised by Russia when they often appear to be paying more attention to arguing among themselves than to developments in the country itself."¹¹⁴ This failure to move on only stalls progress, but it should not come as a surprise that many in government refuse to move on from this line of thinking. In warfare it is common to argue that generals fight the last war, and in this case leadership is doing the same strategically with its outdated approach regarding Russia.

B. RELATIONSHIP ISSUES

Looking at the United States' relationship with China can also give insight when preparing strategy for Russia. Not that everything is perfect regarding our relationship with China, but it is fundamentally different than how we deal with Russia. Maybe the United States cannot have a relationship with Russia like it does with China, but that does not mean it should not look for common ground. Moving on from the strategy of containment or at least perceived ideas of it can start the ball rolling. For years the world has seen a relationship between China and the United States that has evolved into a mutually beneficial one for both countries that involves money and the trade of goods and services.¹¹⁵ This strong force connecting the two helps to overcome other problems the countries may have, but with corruption, lack of foreign investment, and general lack of

¹¹² Andrew Monaghan, *A "New Cold War"? Abusing History, Misunderstanding Russia* (London: Chatham House, Royal Institute of International Affairs, 2015), 3.

¹¹³ *Ibid.*, 4.

¹¹⁴ *Ibid.*

¹¹⁵ Renouard, "Containment, Again."

appealing goods for American consumers, a similar relationship has never formed with Russia.¹¹⁶ Finding common ground could be the key to starting a new chapter in relations between the two countries. For example, the Arctic could be a good place to start. With Russia making all kinds of claims about its land and rights there, the United States could use this to perhaps work together so both countries can benefit. The United States could be seen as helping instead of trying to hinder Russia in this area, and both could make gains in the natural resource arena.

“The biggest disappointment of my four years at NATO was our failure to build a good working relationship with Russia. I came in with high hopes, believing that I could be a part of the reset of relations between Moscow and the West.”¹¹⁷ This excerpt from Admiral Stavridis’s memoir, the former head of European Command and NATO, shows that he too wanted to change the relationship between the two countries for the better and not just accept the status quo. He mentions that while cooperation was there on some fronts like counterpiracy and Afghanistan, other issues further drove a wedge between the two to include Libya, missile defense, and the Russian occupation of Georgia.¹¹⁸ Russia occupying Georgia gives some insight into its actions in Ukraine. Russia was not stopped then, so why would it be stopped now. Missile defense should not have been seen as an offense to Russia, but protection for Europe from other threats. Instead, the United States has caved on that and once again shown little backing to our European allies. Admiral Stavridis made another good point regarding who else can Russia really turn to? When looking at the future, China, the Islamic countries to the south, and the Collective Security Treaty Organization are not going to be reliable partners for a prosperous and powerful Russia.¹¹⁹ He admits that Russia has many bad choices, and its only real option is to stop playing games with the United States and Europe, accept the unavoidable, and work toward an accommodating relationship.¹²⁰ Unfortunately, what may seem

¹¹⁶ Ibid.

¹¹⁷ Stavridis, “Russia: Why Can’t We Just Get Along?”

¹¹⁸ Ibid.

¹¹⁹ Stavridis, “Russia: Why Can’t We Just Get Along?”

¹²⁰ Ibid.

inevitable and the best solution is not always the one that is picked. Russia and Vladimir Putin seem unlikely to change their tune anytime soon. “Days after President George W. Bush famously said he had looked into Putin’s eyes and saw his soul, McCain said, ‘I looked into Mr. Putin’s eyes and I saw three letters: a K and a G and a B.’”¹²¹ Maybe a bit dramatic, but at the same time, how can the United States negotiate with someone who still views the fall of the Soviet Union as the biggest disaster in modern history. While it seems like there should be room for cooperation on numerous fronts, sadly it just is not the case. Admiral Stavridis also uses the examples of Edward Snowden and NATO’s actions in Libya, which only separate our positions further and make situations like Syria all the more difficult.¹²² There seems to be little chance of seeing eye-to-eye in certain situations, regardless of the possible benefits.

There is another possibility to consider when dealing with Russia. Any actions or policies that might push the Russians and Chinese into an alliance of any kind must be avoided at all costs, or the future could be very dangerous and even more difficult to navigate.¹²³ While it may seem unlikely, the danger this could pose is obvious. The financial crisis of 2008 combined with our apparent weakness from years at war only let Russia and China gain confidence and assert themselves on the world stage as shown by events like Russia in Ukraine and China’s claims in the South China Sea.¹²⁴ The United States cannot be seen as weak by these countries or anyone else in the world. Allowing the idea to exist only emboldens our adversaries and in a worst case scenario pushes them closer together. The open criticizing of U.S. ambassadors by both countries is not something that usually happens in the diplomatic world, but does display the deep distrust the countries have for the United States and where the relationship is headed.¹²⁵ Actions like this should not be tolerated on the world stage, as it only makes the United States appear weak and possibly disinterested in world politics. “In sum, U.S. strategists must

¹²¹ Ibid.

¹²² Ibid.

¹²³ Roskin, “The New Cold War.”

¹²⁴ Roskin, “The New Cold War.”

¹²⁵ Ibid.

avoid the rigid diplomatic and military rigidity we fell into during the Cold War. Patience and economics tipped the balance in our favor and will do so again.”¹²⁶ The United States must be strong but not act hastily at the same time.

C. MISMATCHED POLICIES AND IDEALS

The United States must be on the same level with those it is dealing with. It does not always match up strategy wise, and this can be a huge mistake. One example would be setting a red line for Syria but doing nothing when it was crossed. How can anyone in the world, let alone our adversaries, take us serious in situations like this. The government cannot keep fumbling around and reacting instead of acting. Regarding the Crimean crisis, “The West practiced statecraft. Russia entered into Crimea anticipating the need for strategy as classically understood using force to gain its political ends though ultimately their threat of force sufficed.”¹²⁷ In the immediate sense, strategy will win out if we assume force is used or at least the threat is there; there was no threat of force from the West only the use of statecraft, so Russia’s threat paid off, and it can use this lesson when making policy in the future.¹²⁸ This concept of strategy versus statecraft seems simple enough, so why then is it seemingly being ignored. If we are not willing to play on the same strategic level as the Russians, then there is not much point in playing at all. Putin understands this and now has multiple examples of us playing this game, from Georgia all the way to Crimea. This is not to say that force should have immediately been used in these cases to deal with Russia, but understanding the difference between the two concepts may help the United States formulate its plans in the future.

The Europeans hoped their system would appeal to others in the post-Cold War era. Europeans saw a new peace emerging with the fall of the Berlin Wall, and hoped this would encourage a new system of free moving people and ideas. Economics and universal legal institutions that could bind nations together were more important now than lines on maps and military force. Unfortunately, this wishful thinking all changed

¹²⁶ Ibid.

¹²⁷ Milevski, “Strategy Versus Statecraft in Crimea.”

¹²⁸ Ibid.

with Russia invading Crimea. Other countries refused to join in the sanctions, and China did not view this as challenging international order. Europeans had to realize that not everyone wanted the same thing.¹²⁹

The United States definitely is not alone when it comes to confusing statecraft and strategy, making bad assumptions, or generally hoping that others want what they want. Europe must too realize the threat that is out there and get on board. A united and proactive European Union and United States alliance will go a long way toward getting things accomplished.

The security situation is another part of the problem that has not been solved and likely will not be anytime soon. If the West and Russia remain firmly entrenched in their standard mode of post-Cold War thinking, than any hopes of cooperation on such a vital front seem unlikely at best.

Moscow argues European security is divided between institutions that offer both political and legal security guarantees, such as NATO and the EU, and those that offer only political guarantees, such as the Organization for Security and Co-operation in Europe (OSCE), and that the protections afforded by the latter can change quickly and are unreliable. Furthermore, there is disagreement between the West and Moscow over Russia's representation in European security and Moscow's desire for a greater voice. This deceptively deep division in how European security—and the roles of Russia and NATO in it—is understood by both sides lies at the heart of most current and likely future problems in the relationship.¹³⁰

Cooperation or compromise on security issues will only be more difficult given the current state of world affairs. With many issues in the security arena of interest to both countries, this would seem like a prime area to build some meaningful discussion. Unfortunately, while they may share common interests such as seeing ISIS as a threat, the causes and solutions to these problems as seen by both sides are often completely contradictory.¹³¹ It seems almost impossible that this could be the case, especially with an adversary like ISIS or when dealing with issues like weapons proliferation, but the

¹²⁹ Krastev and Leonard, "Europe's Shattered Dream of Order."

¹³⁰ Monaghan, A "New Cold War"?, 5.

¹³¹ Ibid.

West and Russia are too often far apart on these important issues. Looking at ways to include Russia in future security discussions may help ease certain fears and open up the possibility for dialogue when dealing with the numerous issues in the world today. Maybe the divide in values and ideology is just too great to overcome however. Vladimir Putin has argued a lot recently about the morality and Christian values that the West is ignoring or not placing enough emphasis on, and the liberal path that is being taken directly conflicts with Russia's vision of where it sees itself.¹³² Truly another difficult stumbling block to overcome for both sides, but efforts must be made to find common ground. If the separation is only allowed to grow, it makes future progress more difficult. Both sides have to move beyond the liberalism versus Communism feud that clearly solves nothing.

The Cold War analogies that continue to be thrown out in extreme numbers only cloud the picture by providing vague stereotypes from a period that is still debated and contested today.¹³³ If scholars cannot agree on some of their interpretations of history, then making comparisons to today's events using this history seems hopeless indeed. The growth of the European Union and NATO has also helped in the confusion. Old members of NATO have their view of Russia while newer members may see things a different way. Countries that were once part of the Soviet Union or Warsaw Pact associate the Cold War with tyranny and control, not the fear of nuclear war that old NATO members do.¹³⁴ Understanding that even members of NATO and the EU may have different perspectives about the past adds even more difficulty to establishing policy going forward. Also, if all parties involved continue to focus on the past instead of what is ahead, time is just being wasted. These bad analogies surfaced as a prime distraction when Russia invaded Crimea, and discussions of a "new Cold War" focused attention away from Russia's capabilities and even the operation itself.¹³⁵ Continuing the comparisons and bad analogies only leads to what the United States and many others

¹³² Ibid., 6.

¹³³ Monaghan, A "New Cold War"?, 7.

¹³⁴ Ibid.

¹³⁵ Ibid., 9.

have been guilty of throughout history, and that is fighting the last war. “This is a familiar problem in the Russian context: as George Kennan noted during the Cold War, it was hard to dissuade the Pentagon from seeing in Stalin another Hitler, or from using the tactics of the last war all over again in its plans for a new one. U.S. defense strategists could not free themselves from the images of Hitler.”¹³⁶ It is time that the United States and its allies realize that Stalin is gone and so is the Soviet Union.

Containment and ideas of a new Cold War are not going to help come up with a comprehensive strategy. Cooperation on numerous issues is best for all parties involved, but multiple issues are preventing any level of it from happening. The United States and Europe must stay united on these issues while also trying to understand Russia’s perspective. Vladimir Putin may benefit on multiple levels from his comments and actions toward the West, but he could also benefit from increased cooperation. The two sides may never be perfect partners, but the potential is there for both to move forward without dragging everyone down.

D. MILITARY READINESS

What exactly has NATO done to counter an emboldened Russia and what does it need to do going forward? The situation, however, is not as cut and dry as conventional military intervention.

Although Russian military power did play an important part in the annexation of Crimea and subsequent de-stabilization of Eastern Ukraine, Moscow is showing a clear preference for “non-traditional” ways and means when it comes to expanding its influence across Eastern Europe, including energy blackmail, the use of undercover assets (the so-called “little green men”), financial penetration, cyber-attacks, and information warfare.¹³⁷

The United States and NATO need to be proactive in all these areas. If not for the sake of Ukraine, then other places where Russia may look to expand its sphere of influence. The Baltic countries of Lithuania, Estonia, and Latvia, for example, would provide excellent

¹³⁶ Ibid., 10.

¹³⁷ Luis Simon, “Assessing NATO’s Eastern European ‘Flank,’” *Parameters* 44, no. 3 (Autumn 2014), <http://search.proquest.com/docview/1628380474?accountid=12702>.

opportunities for Russia to subtly expand its influence, especially using non-traditional means. These ways and means make it all the more difficult to draw a line and then respond appropriately. If leadership in the United States cannot adhere to a red line in a situation like using chemical weapons in Syria, how will it and NATO decide when to act when faced with these non-traditional scenarios? Given the situation in Europe involving terror attacks and the refugee crisis, it is vital that the focus not be lost countering Russian activities.

While countering these tactics may not seem overly difficult, as discussed earlier, it almost seems as if a new cold war is either destined to happen, or at least what many expect to happen. Defense and deterrence have come to forefront of NATO's strategy, a specific example being the Readiness Action Plan that was a result of the 2014 Wales summit.¹³⁸ This is a good early step to take for future situations that may arise, and to show Russia that NATO countries are not just going to sit idly by in the meantime. Having a joint force of as many as 6,000 that is ready to go is nice to have, but questions about facilities, logistics, equipment, and cooperation in general will continue to linger.¹³⁹ Russia will not have to worry about many of these problems since all the orders will be coming from one source and heading to one combined force. Cooperation is great, but coordination must be superb or else it will just be another empty show of force. With everything going on in Europe, there is little doubt that Vladimir Putin is aware of this and seriously questions NATO's ability to intervene, especially in a non-traditional conflict. Some critics are already calling this a political compromise that will be unable to deter Russian forces, and the Supreme Allied Commander also does not have full control as many would prefer.¹⁴⁰ Questions will remain until the time comes for action; will the task force be effective and who will be calling it to action in the first place? The United States is sending troops and fighters to the front line for training and exercises, and there is no timetable to pull these forces back, which will help reassure allies.¹⁴¹ Once again,

¹³⁸ Simon, "Assessing NATO's Eastern European 'Flank.'"

¹³⁹ Ibid.

¹⁴⁰ Ibid.

¹⁴¹ Ibid.

the show is nice and committing troops anywhere with so much going on in the world is difficult, but it is hard to know if it is just a good show or there is real commitment in these actions. The training and exercises should always be taking place in some form, as there can never be enough training to be ready for all the possible scenarios. Building trust while learning to cooperate and communicate with allies will only pay dividends if action is necessary.

Many question the commitment of some European allies, and often rightly so. As discussed before, many of these countries were quick to relax and assume the world would generally get along in some orderly and democratic fashion. If all else fails, then these countries could simply rely on the United States to step in and avoid getting involved as is so often the case. However, “The pledge adopted by NATO’s Heads of State and Government to halt any further decline in defense spending, move towards the Alliance’s 2 percent benchmark within a decade, and devote greater resources to equipment acquisition, research and development is a step in the right direction.”¹⁴² The United States must keep pushing its allies to make good on these commitments and continue this trend. With so many issues and security concerns facing the United States around the world, it has become clear that the United States is pushing hard for its European allies to increase their share of the burden regarding European security.¹⁴³

¹⁴² Simon, “Assessing NATO’s Eastern European ‘Flank.’”

¹⁴³ Ibid.

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V. CONCLUSION

Where the United States goes from here is not an option that can just be taken lightly. Russia must be made to realize that there will be consequences for its actions, and some traditional modes of thinking either need to be changed or abandoned all together. Russia is without question in a tough spot economically, and current oil prices are not helping. Sanctions must be used when necessary to show the United States and European Union are serious when dealing with Russian transgressions. The United States and European Union must also think strategically on a level with Russia to be ready for future developments. They cannot sit idly by, use harsh rhetoric after the fact, and generally hope things will work out for the better. At what point does enough become enough? If Putin looks to make a similar move into a former Soviet but current NATO country, will both be ready? While preparing for these possibilities, moving away from past Cold War and containment strategies must be pursued. While it will not be easy by any means, trying to open up cooperation where all countries will benefit and move on from past ideologies is a step that must be taken. If these ideas cannot get through to Putin, maybe other Russians will start to see a light at the end of the tunnel. In the meantime, if Putin is going to play his games, sanctions should be severe. The Russian economy will not be able to take this kind of action over the long haul. Using open cooperation opportunities with Russia combined with a united and firm stand by an allied United States and European Union can hopefully start to change things for the better.

Lingering problems from the Soviet days are not only hindering the current economic situation, but with Russia attempting military reform and modernization, there will certainly be limits in this area. While there may be limits on numbers, Russia is strengthening other areas. Leadership seems to recognize there are shortcomings, and as a result, nuclear deterrence has become a focus and improvements have been made in asymmetric warfare. Russia has shown an ability to adapt to its circumstances in some critical aspects, so the United States and NATO must show that it can as well. Russia seems to at least be taking a direction; conversely, the United States and its allies are often undecided on courses of action or hesitant at best. Conventional military is not

always the answer, but a clear direction and strategy must be put in place. At a minimum, it will provide leadership to allies that are too often waiting for the United States to act. While NATO must show strength to counter any and all scenarios, it only goes to show that moving past Cold War thinking and looking for ways of cooperation are more important now than ever. Russia has been very successful in campaigns like Ukraine, so reaction must be quicker to help before the next country becomes a frozen conflict for Russia. With issues like money and demographics hindering Russia, there will continue to be areas of weakness to focus on if the situation warrants, it will just take the preparedness, leadership, and courage to act.

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